



March 1, 2018

U.S. Postal Regulatory Commission
901 New York Avenue NW, Suite 2000
Washington, DC 20268-0001

RE: 10-Year Regulatory Review – Case Number RM2017-3

Dear Commissioners,

As a representative of Buzz Franchise Brands and a member of the mailing industry whose success depends on a viable postal system, I am writing to convey our company's strong opposition to the changes you have proposed as a result of your 10-year review of the system for regulating rates. Last year, Buzz Franchise Brands accounted for approximately 17 million postcard letters. We rely heavily on direct mail campaigns across our current three brands to build each brand and grow the customer base effectively and efficiently.

By the Postal Regulatory Commission's (PRC) conservative estimates, this proposal would increase the postage costs of mail by more than 27% for letters over a five-year period. In the past we have been able to partially offset postage increases by working with our business partners to find efficiencies. But those opportunities are largely exhausted. As we budget for current and future postage spending, these proposed increases are already causing us to consider how to reduce mail volume to offset postage increases. We are working to purchase smaller mailing lists with as minimal impact as possible to our potential customer base, which will result in less mail pieces overall. We are also considering digital efforts to reach our target customer.

Now more than ever it is critical that the PRC understands the effect that its proposal will have on Buzz Franchise Brands and other users of the postal system. The CPI cap provided predictability that allowed us to plan for moderate rate increases by the Postal Service. Abandonment of the CPI cap will introduce a degree of uncertainty that will make alternatives to use of the mail much more attractive and certainly result in an exodus of volume from the postal system.

Rather than ask the Postal Service to tighten its belt and improve service to retain volume, the PRC's proposal provides the Postal Service excessively broad pricing flexibility at a time when tight margins and greater uncertainty regarding postage rates are making the mail an increasingly unattractive communications medium. For these reasons, I urge you to reconsider your decision to permit the draconian rate increases that would inevitably result from your proposal. I respectfully suggest that a more appropriate focus is on improved understanding and management of the costs within the Postal Service. As a business, we must aggressively manage our costs and provide high quality services to survive. Your proposal absolves the Postal Service of the need to meet similar standards by simply allowing them to increase prices to cover their costs.

Regards,

Amy Yemm
Director of Mailer Programs
Buzz Franchise Brands

